



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"

Russ Guiney, Director

August 18, 2009

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

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AUGUST 18, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF A TENNIS CONCESSION AGREEMENT
AT THE WHITTIER NARROWS RECREATION AREA IN THE
CENTRAL REGION OF SAN GABRIEL VALLEY
(SUPERVISORIAL DISTRICT 1) (3 VOTES)**

SUBJECT

Approve a five year agreement with a five year option extension between the County of Los Angeles and iTennis, Inc. for the operation and maintenance of a tennis center concession at Whittier Narrows Recreation Area.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find the proposed action is categorically exempt from the California Environmental Quality Act, for the reasons cited herein.
2. Approve and instruct the Director of the Department of Parks and Recreation to sign and execute a Tennis Concession Agreement with iTennis, Inc., for the operation and maintenance of the Whittier Narrows Tennis Concession, located at the Whittier Narrows Recreational Area in the Central Region of San Gabriel Valley. The Agreement has an initial five year term, with one five year optional extension plus an additional maximum 12 month extension, on a month-to-month basis for a maximum 11 year term, to allow time for re-solicitation to be exercised by the Director of the Department of Parks and Recreation. The term of the Agreement will commence on the first day of the month following the Director of the Department of Parks and Recreation's approval and execution of the Agreement, and will guarantee annual revenues of \$24,000 to \$28,800 during the initial five year term.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Whittier Narrows Recreational Area (Whittier Narrows) is located in the central region of the San Gabriel Valley on approximately 1,252 acres of property owned by the United States Department of the Army Corps of Engineers (ACOE), which attracts 1.5 million visitors annually. Current services and amenities include: picnic areas; hiking trails; bike paths; a youth campground; two regulation golf courses; a military museum; archery range; trap and skeet range; equestrian center; BMX bicycle track; 16 lighted tennis courts, softball, and soccer fields; and a 300-acre natural area.

Approval of the Whittier Narrows Tennis Concession Agreement (Agreement) will allow the Department of Parks and Recreation (Department) to enhance services to the public at the Whittier Narrows Recreation Area Park. This new Agreement increases revenue to the County of Los Angeles (County), and provides for the operation and maintenance of the Whittier Narrows Tennis Concession (Tennis Concession), which consists of sixteen lighted tennis courts and a tennis pro shop. This Agreement will include an initial five year term, with one five year option for a maximum of ten years, plus an additional 12 month-to-month maximum extension to allow for additional potential time needed for the re-solicitation and contract award. This Tennis Concession will serve and benefit the surrounding communities by offering tennis programs for youth groups, summer camps, outreach groups, schools, as well as, tennis clinics and lessons.

Implementation of Strategic Plan Goals

The proposed Agreement with iTennis Inc. (Concessionaire) will further the County's Strategic Plan Goals of Operational Effectiveness (Goal 1), by increasing revenues and providing funding for infrastructure improvements at the tennis center, and Community and Municipal Services (Goal 3), by creating affordable, accessible, and quality tennis lessons to the surrounding community.

FISCAL IMPACT/FINANCING

Pursuant to the terms of the Agreement, iTennis Inc. will pay the County a minimum annual rent of \$24,000 during the Fiscal Year (FY) 2009-10, or the sum of the percentages of monthly gross receipts from the sales of tennis related activities and merchandise, whichever is greater. The rent increases from \$24,000 to \$28,800 annually over the term of the five year Agreement with incremental increases during the option years.

Additionally, the proposed Agreement with iTennis Inc. will include \$20,000 in various capital improvement projects at the start of the contract to provide better quality tennis programs. Beginning the first year of the option term, Concessionaire will deposit two percent of the total monthly gross receipts towards capital improvements.

Operating Budget Impact

As a result of the recommended actions, the Department anticipates a small revenue increase to its operating budget over the five year term of the agreement. Small incremental increases are guaranteed due to a progressive monthly minimum rent schedule, with the second year's monthly rent exceeding the prior agreement's monthly rent by \$100 (\$1,200 annually). The third, fourth and fifth year monthly rents are also the same and guarantee a monthly revenue increase of \$100 (\$1,200 annually).

The Department may also receive revenue beyond the monthly minimum rent, should its share of the Concessionaire's monthly gross receipts from sales of tennis related activities and merchandise be higher. This amount cannot be estimated at this time due to the Concessionaire being new to the County and lack of historical data.

The Department will address in future years' budget requests as they become material and if the agreement is not terminated prematurely.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board is authorized by Government Code Section 25907 to contract for concessions and services that are consistent with public park and recreation purposes within Whittier Narrows, and pursuant to the provisions and conditions of the Department of the Army Lease for Park and Recreational Purposes, Whittier Narrows Flood Control Basin, No. DACW09-1-86-43, granted to the County by the Secretary of the Army under authority of the Flood Control Act of 1944, Section 4 as amended 16 U.S.C.460d. The proposed Concession Agreement is consistent with said purposes.

This Agreement contains terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

The Concessionaire has executed the attached Agreement and will provide the required insurance policies prior to the start of this Agreement naming the County and the ACOE as additional insureds.

The ACOE has reviewed and approved the proposed Concession Agreement.

County Counsel has approved the Concession Agreement as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed agreement is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with Sections 15301 and 15323 of the State CEQA Guidelines and Classes 4(j) and 23 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, because the agreement provides for permits, licensing, and leases on existing facilities.

Whittier Narrows is a federal facility under the jurisdiction of the ACOE and is operated and maintained by the Department. As a federal facility, all projects at Whittier Narrows Recreation Area must comply with the National Environmental Policy Act (NEPA). The ACOE has determined that the project is in compliance with NEPA as Categorical Exclusion in accordance with 40 CFR 1508.4 and 33d CFR 230.9 and that the project, when considered individually and cumulatively, does not have significant effects on the quality of the human environment.

CONTRACTING PROCESS

On June 5, 2008, the Department commenced solicitation for the operation and maintenance of the Whittier Narrows Tennis Concession by posting an ad in the "Inside Tennis Magazine," the official publication of the United States Tennis Association Southern California (USTA-SC), and on June 12 and 13, 2008, the Department posted a legal ad in the "Whittier Daily News."

On June 10, 2008, the Request for Proposal (RFP) notice was posted on the County of Los Angeles "Doing Business With Us" web site. The notice also included a link to download the solicitation package and bilingual instructions on how to contact the Department regarding this solicitation.

On June 24, 2008, 13 Proposers attended the Proposer's Conference. On July 17, 2008, the Department received four proposals. The proposals were first reviewed by Contract Development staff to ensure compliance with mandatory minimum requirements outlined in the RFP. Having met those requirements, the proposals were then evaluated by an evaluation panel. The panel comprised of two Department employees, and one tennis professional.

The evaluation panel evaluated each proposal based on criteria identified in the RFP, which included the business experience and qualifications; rent to the County; operation and maintenance plan; safety programs; and the ability to operate a tennis concession. Based on these evaluations, iTennis Inc. was determined to have met all requirements and was rated as the highest ranked proposal for the Tennis Concession. The consensus evaluation methodology was performed prior to the Board of Supervisor's policy change in March 31, 2009, for Informed Averaging Scoring methodology.

On November 20, 2008, the Department completed a Contractor Selection Review and inquired into the matter, which was resolved to the satisfaction of the proposer and no further action was taken by the proposer. The previous concessionaire's permit was terminated on November 30, 2008. In an effort to keep the tennis center open to the public and assist in the transition phase, iTennis Inc. has been operating the tennis concession on a permit basis since December 2008. The delay in filing is a result of the workload and completion of final negotiations.

Attachment I reflects the Concessionaire's minority participation. It should be noted that upon final analysis and award, the Concessionaire was selected without regard to gender, race, creed, or color.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will cause no impact on current services or programs.

The Honorable Board of Supervisors
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CONCLUSION

It is requested that an adopted copy of this document be retained by the Executive Officer-Clerk of the Board, one adopted copy each be forwarded to the Chief Executive Office, County Counsel, Auditor-Controller, and Treasurer and Tax Collector, and two adopted copies be forwarded to the Department of Parks and Recreation.

Respectfully submitted,



RUSS GUINEY
Director

RG:DM:KEH:
GB:CM:rc

Attachment

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors